

CALIFORNIA DAIRY CAMPAIGN

PO Box 2044 Turlock, Ca 95381

April 19, 2005

David Ikari, Branch Chief
Dairy Marketing Branch
California Department of Food & Agriculture
1220 N Street
Sacramento, CA 95814

RE: Adjustment to Alternative Proposal for Northern and Southern California Class 1 Price Hearing.

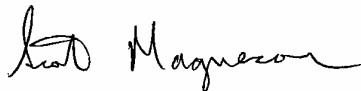
Dear Mr. Ikari,

After a careful review of the analysis put forth by the Department, we are modifying our alternative proposal which was submitted for the upcoming May 3rd and 6th Class 1 Hearings. Our preliminary analysis showed a neutral impact over the five year data set, but after a more detailed analysis our original proposal shows a negative impact on producer prices.

In order to negate the negative impacts to producers we are increasing the differentials by five cents for the Southern and Northern California Marketing Plans. We request the following change to Subparagraph (A)(6) of the Southern California Order, strike **“two dollars (\$2.00)”** and insert **“two and five hundredth dollars (\$2.05)”**. We also request the following change to Subparagraph (A)(6) of the Northern California Order strike **“one and seventy-five hundredth dollars (\$1.75)”** and insert **“one and eighty hundredth dollars (\$1.80)”**.

We appreciate your attention and analysis of our proposal and apologize for any inconvenience this change may cause. Hopefully there will be enough time to incorporate these changes in any new analysis prior to the hearing.

Sincerely,



Scott Magneson, Pricing Committee
California Dairy Campaign